

**OFFICES OF THE  
STATE AUDITOR OF MISSOURI  
JEFFERSON CITY**

OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS, MISSOURI  
YEAR ENDED APRIL 30, 1987

**MARGARET KELLY, CPA**



OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS, MISSOURI

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CITY OF ST. LOUIS, MISSOURI

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## STATE AUDITOR OF MISSOURI

JEFFERSON CITY, MISSOURI 65102

MARGARET KELLY, CPA  
STATE AUDITOR

(314) 751-4824

Paul M. Berra, Comptroller  
City of St. Louis, Missouri 63103

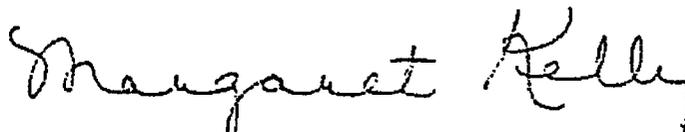
The State Auditor was petitioned under Section 29.230, RSMo 1986, to perform an audit of the city of St. Louis, Missouri. Accordingly, we have conducted an audit of the Office of Comptroller, city of St. Louis, for the year ended April 30, 1987. The purposes of our examination were to:

1. Study and evaluate the Comptroller's system of internal controls.
2. Perform a limited review of certain management practices to determine the efficiency and effectiveness of those practices.
3. Review probable compliance with certain constitutional provisions, statutes, administrative rules, attorney general's opinion, and city ordinances as we deemed necessary or appropriate.
4. Perform a limited review of the integrity and completeness of the Comptroller's financial reporting system.
5. Perform procedures deemed necessary to evaluate petitioner concerns.

Our examination was made in accordance with generally accepted government auditing standards and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed the financial records, payroll procedures and documents, expenditures, contractual agreements, and other pertinent procedures and documents; interviewed personnel of the Office of Comptroller and compiled the information in the appendices from the records and reports of the Comptroller. The data presented in the appendices were obtained from the city's accounting system. However, they were not verified by us via additional audit procedures and, therefore, we express no opinion on them.

The accompanying History and Organization is presented for informational purposes. This background information was obtained from office management and was not subject to the audit procedures applied by us in our examination.

Our comments on management practices and related areas are presented in the accompanying Management Advisory Report.

A handwritten signature in cursive script that reads "Margaret Kelly".

Margaret Kelly, CPA  
State Auditor

September 3, 1987

## HISTORY AND ORGANIZATION

OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS, MISSOURI  
HISTORY AND ORGANIZATION

The comptroller exercises supervision over all fiscal affairs including the city's property, assets, and claims. The comptroller is the chief accountant and auditor for the city. The comptroller is a member of various boards and commissions. Paul M. Berra was first elected as Comptroller in April 1981. He was reelected to his current term in April 1985, which expires in April 1989.

The deputy comptroller assists the comptroller in the day-to-day operations of the various sections under his authority. At April 30, 1987, the Comptroller's office employed approximately 150 full-time employees.

1. Accounting Services Section

The fiscal manager, with the assistance of the other sections of the comptroller's office, provides all means of financing city operations other than from current budget revenue. These forms of financing include bond issues, lease purchase agreements, and tax and revenue anticipation notes. The fiscal manager is also responsible for the daily supervision and direction of accounts payable, statistical operations, payroll, and central business index.

2. Accounting Control Section

The accounting systems manager is responsible for accounting control and asset management. In addition, he is responsible for reviewing all contracts and agreements.

3. Federal Grants Section

The fiscal executive is responsible for the financial managing of all federal, state, and locally funded grant programs awarded to the city. This requires a working knowledge of all federal regulations relating to the accounting for grants, as well as the specific terms of each individual grant program. Federal grants are separate from the general operations of the comptroller's office due to these unique federal and state requirements.

4. Internal Audit Section

The audit executive is responsible for assisting the comptroller in his responsibility, as set out in the city charter, to provide the city officials and taxpayers with reasonable assurance that public funds and property are adequately safeguarded and that financial transactions are authorized and properly recorded. Duties range from the audits of various departments within the city to audits on various corporations and not-for-profit organizations associated with the city through various contracts and agreements. In addition, the internal auditors perform revenue reviews, payroll distributions, fixed asset observations, and fiscal monitoring of the federal grant programs of the city. As a result of these procedures, various types of recommendations and procedures are made to improve the internal controls of the city of St. Louis.

5. Data Processing Section

The information system manager is responsible for system development, technical support, and computer operations. These functions provide service to city departments and agencies in the form of programming support in project development, in-depth system analysis, and adaptation, and the support of management of an on-line system available on an inquiry basis to all authorized users.

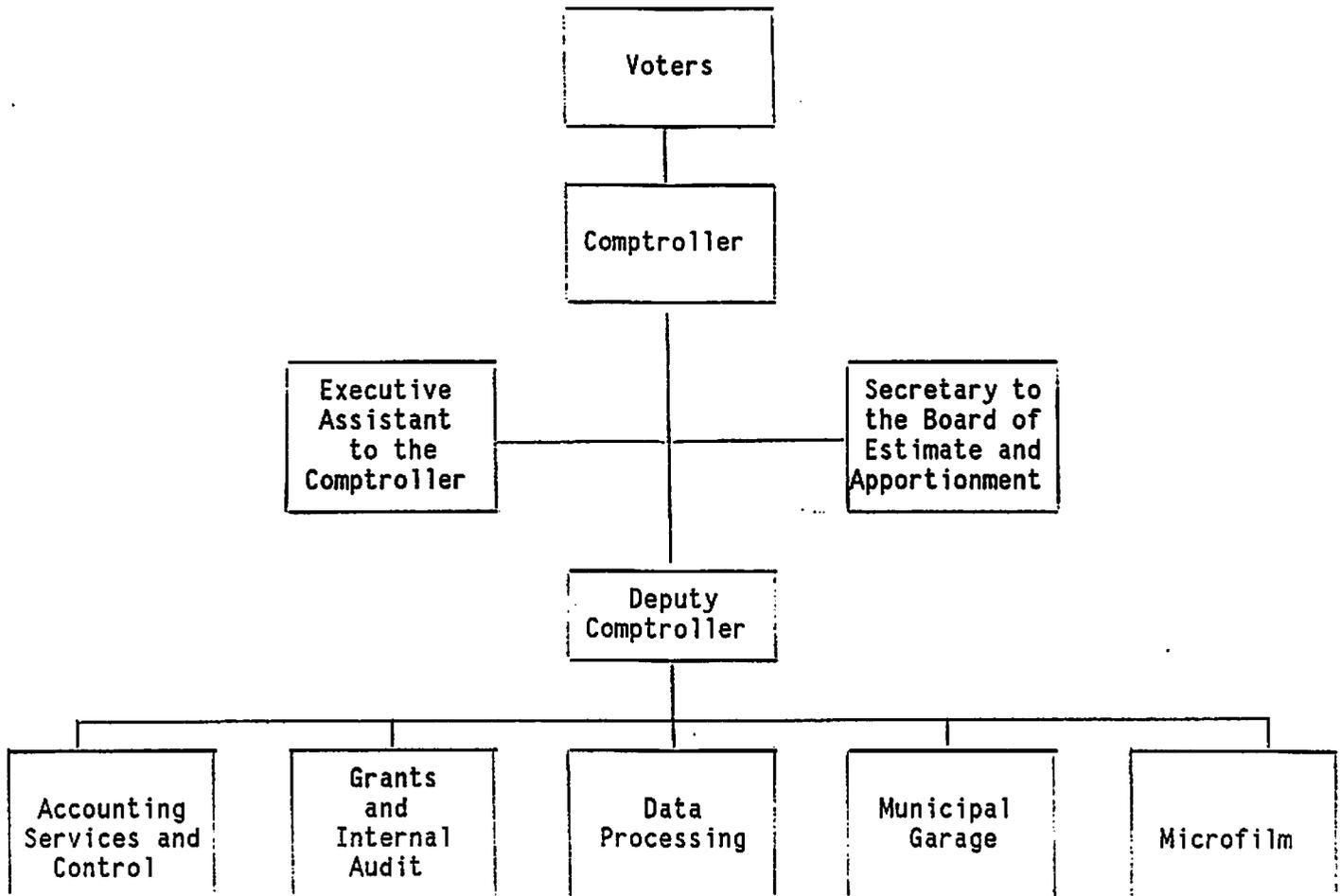
6. Municipal Garage

The municipal garage manager is responsible for managing two parking facilities: the municipal garage and Kiel Garage. The municipal garage maintains a vehicle repair shop to service city vehicles, dispenses the gasoline used by various city vehicles, and collects the rent for the parking spaces in the municipal garage. In addition to these duties, the municipal garage manager processes all applications, titles, and warranties for new city vehicles.

7. Microfilm Section

The microfilm supervisor is responsible for the archival library which is used daily by city personnel as well as outside sources, such as real estate agents, developers, and appraisers. The archival library is serviced by a staff of five employees. The microfilm supervisor is also responsible for actually microfilming documents received from various city departments to become part of the permanent archival library of the city of St. Louis. The microfilming is handled by five operators and one darkroom technician. In addition to microfilming, the office handles all copy work for various city departments and private citizens needing copies pertaining to city business. The Microfilm Section also serves as the city's telephone operator, assisting the citizens by channeling calls to the proper departments.

OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS, MISSOURI  
ORGANIZATION CHART  
APRIL 30, 1987



**MANAGEMENT ADVISORY REPORT**

OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS, MISSOURI  
SUMMARY OF FINDINGS

1. Parking Garage Contract (pages 12-14)

The Comptroller's office did not properly handle the renewal of the parking garage contract when it expired in December 1986. They failed to solicit bids for a new contract and did not obtain a written contract as required by statute. The Comptroller has changed the monthly rental rate numerous times. As a result the city has collected \$54,400 less in rental rates than the amount authorized. The Comptroller also has not effectively monitored the contractor to ensure that he submitted all required reports, documented all changes to the contract, and obtained the required bond and insurance coverage.

2. Columbia Bottoms (pages 14-16)

The city leases approximately 3,500 acres of farmland in St. Louis County to farmers under share-crop agreements. The Comptroller's office does not have written contracts with the grain elevators which process the grain from this land. These contracts are necessary to ensure the elevators send the appropriate share of the proceeds to the city. The Comptroller has hired a field representative to oversee the city's interests in this operation. This representative, however, is not independent of the farming operations and the Comptroller does not exercise adequate oversight of his activities.

3. Contract Monitoring (pages 16-18)

The Comptroller's office does not adequately monitor contracts with vending machine companies and a property management company. The Comptroller has not required the contractors to adequately report on operations; therefore, the Comptroller cannot be assured that the city is receiving all revenue that is due.

4. Surplus City Real Estate (pages 18-20)

The Real Estate Section of the Comptroller's office has not effectively managed the \$49 million in surplus city real estate. They do not maintain adequate records for some city holdings; therefore, they cannot always determine the current status of a piece of real estate. Some files do not contain enough documentation to determine if all legal requirements have been met. The city does not charge the fair market rental rate to all lessees, and does not charge any rent to three private businesses. The Real Estate Section has not actively pursued the sale or rental of some surplus city property, thereby resulting in nonproductive assets and lost city revenues.

5. Real Estate Section Controls over Cash, Receivables, and Revenues  
(pages 20-21)

The Real Estate Section processed approximately \$259,000 in various types of revenues during the fiscal year 1987. The section does not

maintain a general cash receipts ledger and does not reconcile the subsidiary cash records. Therefore, there is limited assurance that all revenues are collected, properly recorded, and deposited. The Real Estate Section failed to take all possible action necessary to collect on revenues due for the city's special tax bills arising from the boarding up and demolition of buildings. Because these tax bills have a two-year statute of limitations, the Real Estate Section forfeited city revenues by not following up on all billings in a timely manner.

6. Gasboy System Reports (pages 21-23)

The Comptroller's office has developed an automated system for monitoring fuel usage. This system is known as the gasboy system and is designed to account for the amount of fuel placed in vehicles and computes the miles-per-gallon information based upon the odometer reading input at the time of fueling. The Comptroller has not, however, implemented a formal error reporting and resolution process. As a result of the lack of a formal process it appears many obvious errors are going unresolved by the user departments. In order for this system to be effective, the user departments must be encouraged to follow-up on all errors.

7. General Fixed Assets Procedures (pages 23-25)

The Comptroller's office uses a fixed asset management system (FAMS) to monitor and control all general fixed assets of the city. FAMS procedures do not require the annual inventory to be taken by someone independent of the general fixed assets record keeping. Inventory tags were not used in conducting the 1987 inventory counts. General fixed assets items are not being tagged as city property. FAMS policy does not require proper authorization for property deletions. FAMS policy does not adequately record and control property control items. As a result of these weaknesses, the city has less than adequate control over its general fixed assets.

8. Municipal Garage Controls over Cash Receipts and Revenues (page 25)

Garage employees do not maintain a cash receipts journal that summarizes all monies received. In addition, the accounts receivable subsidiary ledger used at the garage to record customer payment activity does not provide adequate detailed information about customer payment. Because of these weaknesses the Comptroller's office has less assurance that all revenues for the use of the municipal garage have been properly collected, recorded, and deposited.

9. Reduced Parking Rates Received by Municipal Garage Employees (pages 25-26)

Municipal garage employees pay a reduced rate for parking at the municipal garage. This reduced rate results in the city losing \$4,147 in revenues each year.

10. Municipal Garage Inventory Control Procedures (page 26)

No formal controls or procedures exist to ensure the proper use and management of the approximately \$70,000 of inventory items purchased annually by the garage.

11. Microfilm Controls over Cash, Receivables, and Revenues (pages 26-29)

During the fiscal year ended April 30, 1987, the Microfilm Section processed \$72,536 in revenues from copying services. We noted significant weaknesses in the system of internal controls over these revenues. Because of these weaknesses, the Microfilm Section has little assurance that all revenues have been billed or that all receipts have been properly collected, deposited, and recorded.

12. Microfilm Controls over Expenditures (page 29)

The Microfilm Section does not reconcile its manual ledger of expenditures to the monthly expenditure report generated by the Comptroller. Without performing such a reconciliation, the section cannot be assured that only valid charges are made against its appropriations.

OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS, MISSOURI  
MANAGEMENT ADVISORY REPORT

As part of our examination of the Office of Comptroller, city of St. Louis, for the year ended April 30, 1987, we studied and evaluated the internal accounting control system to the extent needed to evaluate the system as required by generally accepted government auditing standards. For the purpose of this report, we have classified the significant internal accounting controls as cash, payroll, revenues, and expenditures. Our study included each of these control categories. Since the purpose of our study and evaluation was to determine the nature, timing, and extent of our audit procedures, it was more limited than would be needed to express an opinion on the internal accounting control system taken as a whole.

It is management's responsibility to establish and maintain the internal control system. In so doing, management assesses and weighs the expected benefits and related costs of control procedures. The system should provide reasonable, but not absolute, assurance that assets are safeguarded against loss, and that transactions are carried out as authorized by management and are recorded in a manner that will permit the subsequent preparation of reliable and proper financial reports.

Because of the inherent limitations in any internal control system, errors or irregularities may still occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation was made for the limited purpose described in the first paragraph and, thus, might not disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the internal accounting control system of the city taken as a whole. However, our study and evaluation disclosed certain conditions that we believe are material weaknesses and these findings are presented in this report.

We reviewed probable compliance with certain constitutional provisions, statutes, ordinances, and attorney general's opinion as we deemed necessary or appropriate. This review was not intended to provide assurance of full compliance with all regulatory provisions and, thus, did not include all regulatory provisions which may apply. However, our review disclosed certain conditions that may represent noncompliance and these findings are presented in this report.

During our examination, we identified certain management practices which we believe could be improved. Our examination was not designed or intended to be a detailed study of every system, procedure, and transaction. Accordingly, the findings presented in this report should not be considered as all inclusive of areas where improvements may be needed.

The State Auditor was petitioned under Section 29.230, RSMo 1986, to audit the city of St. Louis. We included those procedures necessary in our judgment to evaluate the petitioner concerns and those concerns requiring corrective action are addressed in this report.

The period of examination for the purposes stated above included, but was not limited to, the period covered by the financial statements for the year ended April 30, 1987.

1. Parking Garage Contract

In February 1982 the Comptroller entered into a contract with a company to lease city property for the purpose of parking motor vehicles. During our review of this contract we found the following:

- A. The Comptroller's office did not properly handle the renewal of the contract when it expired in December 1986. Since that time, Comptroller's office personnel said the agreement has been renewed verbally on a month-to-month basis. The original contract does not provide for this kind of arrangement. This practice also violates Section 432.070, RSMo 1986, which requires all city contracts to be in writing.

In addition, the continuation of the original contract violates Section 82.470, RSMo 1986, which provides: "... the city shall advertise for competitive bids before renting or leasing property for the purpose of parking motor vehicles and shall rent or lease such property to the highest bidder." In order to comply with this section, the Comptroller should have competitively bid the property when the original contract expired. This would satisfy the Comptroller's statutory responsibility and ensure that the city is getting the best income possible from the property.

- B. The Comptroller has changed the monthly rental rate numerous times.

The original contract established a monthly rental amount of \$22,500, with no provision for adjustments. Despite this, the fee has been changed numerous times during the rental period and is currently set at \$22,000 per month, which is less than the original rent established in 1982.

The Comptroller adjusted the rates in response to various requests from the contractor. Although the contractor cited changes in cost or revenue estimates as reasons for the changes, the Comptroller had no obligation to make any adjustments to the rental amounts. In fact, according to the terms of the contract, the Comptroller was not authorized to make such adjustments. In addition, the Comptroller did not perform any type of fiscal review to determine if these conditions even existed. As such, these adjustments are based solely upon the request of the contractor. Based upon the contractual rent, unauthorized adjustments to the rental fee have resulted in \$54,400 in lost revenues during the contract period (February 1982 to December 1986).

Therefore, by adjusting the rental payments of the contractor, the Comptroller has violated the terms of the original agreement and lost city revenue.

C. The Comptroller has not effectively monitored the contractor to ensure that all required reports are submitted, and that the contractor has adequate insurance and bond coverage.

- 1) The Comptroller has not required the lessee to report results of operations. Not only is such a report required by the contract, it is the most effective means for the comptroller to evaluate the reasonableness of the monthly rental fee.

As discussed in part B. above, the monthly rental fee has been adjusted numerous times during the rental period. Without a report of operations, the Comptroller has no idea what effect these changes have had on the operator's income. In addition, the Comptroller needs to assess the profitability of the operation in order to effectively solicit bids for the operation of the garage. Currently, the Comptroller is charging less rent than at the start of the contract six years ago, without bids and with no idea of the reasonableness of the amount.

- 2) To ensure that the city is adequately protected from loss the contract requires ". . . insurance coverage to be maintained by the operator-lessee throughout the term of this agreement and evidence of the same shall be on record in the Comptroller office." At the time of our review the Comptroller's files did not contain evidence of this insurance. Certificates of insurance were later obtained. However, the Comptroller should in the future ensure that documentation of current insurance is on file at all times.

- 3) Section XV of the original contract requires the successful bidder to execute a contract performance bond in the amount of \$50,000 for the full and faithful performance of all the covenants of the agreement. At the time of our review we could find no evidence of this performance bond. Discussions with Comptroller's office personnel revealed that the Comptroller's office did not require the operator-lessee to obtain this bond. The failure to require a bond results in noncompliance with the contract and increases the potential for loss in the event of contract nonperformance.

**WE RECOMMEND** the Comptroller:

- A. Competitively bid the lease of this property and ensure the agreement is in writing.
- B. Discontinue the practice of reducing the monthly rental amount.
- C.1. Implement procedures to obtain, monitor, and analyze financial information to ensure the reasonableness of the monthly rental amount.

2. Implement procedures to ensure that insurance coverage is maintained by the operator-lessee in accordance with the contract.
3. Obtain a performance bond from the operator-lessee in accordance with the contract requirements.

### AUDITEE'S RESPONSE

At the time the Comptroller was preparing to solicit bids for the lease of the garage, the city was involved in preliminary discussions regarding the sale of Kiel Auditorium, which was to have included the parking facilities. The economic feasibility of the project, mandated the inclusion of the garage. We did not wish to be bound by a long-term lease and, therefore, pursuant to Section 82.470, RSMo 1986, extended the contract on a month-to-month basis. Because the property sale is not imminent, we have requested and received bids on a contract that provides for a ninety-day termination notice. Final action by the selection committee has been completed.

The office has always monitored the rental payments, however, we are in the process of revising our monitoring procedures as they relate to all the other contract elements.

#### 2. Columbia Bottoms

The city owns approximately 3,500 acres of farmland in St. Louis County commonly known as Columbia Bottoms. This land was acquired in the 1940s for airport expansion. This never developed and, subsequently, the land was leased to farmers under share crop agreements.

- A. The share crop agreements made with each farmer require harvests to be delivered to one of two grain elevators in the area. However, the city does not have written agreements with these grain elevators which clearly indicate the responsibilities of the grain elevators. There appear to be oral agreements by which the grain elevators will send the city a one-third share of crop proceeds directly to the Comptroller's office. The lack of written agreements increases the likelihood that misunderstanding among all parties (the farmers, grain elevators, and the city) may occur.
- B. The city pays a field representative \$10,800 annually to monitor the share crop agreement for Columbia Bottoms. This individual's responsibilities include:
  - 1) Keeping the Comptroller's office informed of activities at Columbia Bottoms.
  - 2) Monitoring farmers to ensure they comply with the obligations of the contract.
  - 3) Recording and processing all federal assistance payments.

The effectiveness of using a field representative to monitor the tenants of Columbia Bottoms is dependent on the field representative remaining independent from the tenant's operations

and the city exercising an adequate oversight function on his activities. Our review of the current arrangement indicated that these conditions do not exist.

- 1) The individual currently serving as the field representative is not independent of the farming operation. In fact, he is a member of one of the families currently farming Columbia Bottoms. Therefore, it is questionable how much benefit the city derives from this arrangement.

In order to be effective, the field representative employed by the city must represent the city's interest at all times. Comptroller's office personnel indicated that the current field representative was a member of one of the families currently farming at Columbia Bottoms and he participated in the family farming operation before being named field representative. Comptroller's office personnel further indicated there is nothing to prohibit the field representative from assisting in the current farming operation, and that he probably does assist his family in some aspects of the operation. Since the current representative is related to the people he is monitoring and is probably actually involved in the operation, it would appear he has a conflict of interest.

- 2) The city does not exercise any oversight of the activities of the field representative. The representative is not accountable for the time he spends at Columbia Bottoms and the Comptroller's office does not periodically review the representative's records of farm operations. As such, the field representative is not accountable for either his time expended or the work product generated. Since the Comptroller's office has no idea of either the amount of time or work associated with the position of field representative, it is not possible for them to determine what they are receiving for the \$10,800 they spend each year.

The use of a field representative could be an effective means for the city to control and monitor the current share crop arrangement at Columbia Bottoms. In order to be effective, however, the field representative must truly represent the city's interest and the city must carefully monitor the cost of the field representative in relation to the benefit they receive. To date, however, the Comptroller has completely relied on someone with a vested interest in the tenant's operations without any evaluation of the cost effectiveness.

- C. In fiscal year 1987 the city received \$205,463 as its one-third share of total income from the Columbia Bottoms farmland. In turn, \$14,977 was paid out for the salary of the field representative and repair costs. This resulted in an income of \$190,486 for the approximately 3,500 acres. The city cannot easily or accurately predict what its income will be for fiscal year 1988. By using share crop agreements the city is not assured of any certain income.

Comptroller personnel indicated that they used share crop agreements because they want to share the farmers' good and bad years.

To reduce the city's risk of a low income, to ensure a certain level of income, and to eliminate the costs of monitoring these share crop agreements the city should consider switching to flat rate lease agreements. Further, the city should consider selling the land since it is not needed for city operations.

WE RECOMMEND the Comptroller's office:

- A. Obtain written agreements from the grain elevators which clearly indicate each party's responsibilities.
- B. Periodically audit, at least annually, the records of the field representative.
- C. Evaluate the benefits of selling the Columbia Bottoms farmland and/or consider changing to flat-rate leases.

### AUDITEE'S RESPONSE

- A. The city has always had a contract with the grain elevators to send the city its one-third share of the crop sales; however, as noted, this agreement was oral. In order to ensure no misunderstandings will occur, we have obtained written agreements with each of the grain elevators.
- B. Each year the Comptroller's office receives a report from the field representative on each of the farmers. This report is reviewed for reasonableness. Under new procedures in place, this report will be agreed to the grain elevators' reports as far as the amount of crops harvested. We have also revised our procedures such that the operations of the field representative will be included in the universe of audits to be made by the Internal Audit Section.
- C. The Comptroller's office, several years ago and even within the last year, evaluated the possibilities of converting the lease to a flat-rate lease. After discussions with the University of Missouri Extension Center and others, it was determined that the current leasing method used by the city is the method most often recommended in this type of a situation. As far as the sale of the land is concerned, this issue will be again brought to the attention of the appropriate governmental bodies for consideration.

### 3. Contract Monitoring

- A. The Comptroller's office contracts with two vending machine companies to provide vending equipment and supplies to city offices. The agreements specify that the city is to receive commission of 37.5 percent of the monthly gross receipts from the vending machines.

The Comptroller's office has not established procedures to effectively monitor compliance with the terms of the agreements or to monitor the revenues received as a result of these agreements. The Comptroller is simply accepting what the vendors remit. The vending machine revenue for fiscal year 1987 was \$71,101. For the Comptroller's office to be assured that the proper amount is being remitted by the vendors, a periodic review of vendors' records needs to be performed.

- B. The city, through the Comptroller's office, has entered into an agreement with a property management organization for the management of a city-owned building. The building is occupied by both city and noncity agencies. Noncity agencies are required to pay rent which the management company collects. All operating costs of the building are paid by the management company and if rent revenues exceed operating costs, the excess is submitted to the Comptroller's office. If operating costs exceed rent revenues then the Comptroller reimburses the management company.

Detailed specifications set forth in the contract require the management company to submit a monthly statement to the Comptroller showing all receipts and disbursements and to submit an annual operating budget. We found that all reports of financial activity are apparently being sent to the Division of Health and Hospitals. No reports were available at the Real Estate Section of the Comptroller's office. No monitoring procedures were being used by the Real Estate Section to review the monthly operation of the building or to determine if the management company is complying with the agreement. As a result, the city has no assurance that the management company is fairly reporting the financial operations upon which revenue collections or reimbursement payments are based.

WE RECOMMEND the Comptroller's office:

- A. Establish procedures to periodically monitor the reasonableness of the city's share of vending machine commissions.
- B. Implement procedures to effectively monitor the financial activity and operations of the property management company.

AUDITEE'S RESPONSE

- A. It should be noted that a citywide bid for the commissions from the use of vending machines is a practice that only began with the current administration. Under the current contract, we receive a report that indicates the number of cases sold by machine and by location, along with the computation of our share of the proceeds. This report is reviewed in order to ensure we receive the amount of revenue, per case, in accordance with the terms of the contract. In order to better monitor this revenue, we will begin reviewing these reports, on a monthly basis, with the previous reports for reasonableness and investigate any discrepancies noted.

- B. The Real Estate Section of the Comptroller's office will request all the reports not currently on file. While the monitoring of this contract was being performed by the Department of Health and Hospitals, as their offices are located in the building, we will also establish a system to effectively monitor the activity and operations of the property management company.

4. Surplus City Real Estate

The Real Estate Section is responsible for the sale and/or lease of surplus city real estate with a cost basis of over \$49 million. The real estate manager oversees the writing of all leases, collection of lease payments, and is responsible for monitoring all files and records regarding lease tenants. Our review of the Real Estate Section's procedures and records indicated the following improvements are needed:

- A. The Real Estate Section's records do not indicate the current status of each piece of real estate. To effectively manage city real estate there should be a centralized source to determine if a piece of real estate is city-occupied, leased, vacant, or has been advertised for sale. Currently, several people may have to be contacted to find out the status of a piece of real estate. Unless the city effectively monitors the status of each piece of real estate, they run the risk that rental income may be lost from vacant real estate holdings.
- B. The files do not always contain adequate documentation to determine that applicable legal requirements have been met. The most significant deficiencies noted were the absence of current lease agreements and the absence of ordinance approval documentation for the sale of real estate. The Real Estate Section must have procedures to monitor and review all files for completeness and accuracy. Unless these procedures exist, the city risks loss of rental income due to lapsed lease agreements or possible legal action if ordinance approval for sales of real estate is not properly obtained.
- C. The city has not charged all noncity entities the fair market rental for the use of city space. At the time of our review the city had nine bargain leases with noncity entities. These agreements stipulated \$1 rent or no rent at all, and the city has not effectively monitored the profitability or other benefits of any of these leases. Documentation of maintenance costs and rental income for each piece of real estate was not readily available. Without such data, it is not possible to determine if it is cost-effective for the city to maintain these rental properties or to determine if nonmonetary benefits appear to outweigh the monetary costs to the city. In addition, the Comptroller's office has not charged any rent for the space occupied by an employees credit union or for the office occupied by two local newspapers.

For the city to maximize its rental revenues it should require a rental fee representing the fair market value of the space occupied from all noncity entities.

Article VI Section 25 of the Constitution of Missouri prohibits the city from lending or granting public money or property to any private individual, association, or corporation. If the benefits the city derives do not exceed the costs (including lost revenues) then these leases to noncity entities may violate this constitutional provision.

- D. The Real Estate Section does not actively attempt to sell or lease surplus city-owned real estate. Currently, the city does not advertise the availability of this surplus property. In fact, we could not find documentation for why the property was vacant, or what efforts the city had made to lease or dispose of the property. If the city has no use for a piece of real estate, they should develop some means of generating revenue from the property. One method is to try to sell it. If that is not possible or cost-effective, then, they should consider leasing it. By not actively pursuing the sale or lease of surplus city real estate the city is potentially losing sale or rental income as well as incurring unnecessary maintenance costs.

WE RECOMMEND the Real Estate Section:

- A. Maintain records to allow the status of each piece of city real estate to be easily determined and monitored.
- B. Develop and implement procedures to ensure that each sale or lease file is complete and that all applicable legal requirements have been met.
- C. Charge a rental fee to all noncity entities which represents the fair market value of the space occupied.
- D. Attempt to dispose of any real estate not being used for city operations.

#### AUDITEE'S RESPONSE

- A. The status of each piece of city-owned property may be easily determined by referring to one of two reports. The fixed asset report will provide a complete listing of all city-owned real estate, including whether or not the property is being used by the city. A lease-property report, prepared by the Real Estate Section, provides a complete listing of all city property currently under lease. While there is no one "centralized system," we feel that all necessary and relevant information is readily available and meets the need of the city.
- B. We have established a document retention policy that specifies what each real estate file should contain. It should be noted, however, that all the necessary documents, while not previously in the Real Estate Section, were readily available from several other sources in city hall.
- C. Of the nine "bargain leases" noted in your audit, all except one of these leases were for organizations providing valuable civic services to the

citizens of the city. These groups, such as the Annie Malone Home, Fairfax Senior Citizens Center, and the Human Development Corporation all received their primary funding from tax revenue, donations, and/or user fees, or various grants. In many cases, the use of the city-owned property is used as an in-kind match in order to receive federal or state funding. In addition, the services provided to the citizens of the city would more than offset any additional rent that may be received if the property was leased to a for-profit corporation.

Of the nine "bargain leases" noted, only one of these leases did not fall into the above categories. That lease requires the lessee, in lieu of rental payments, to make major repairs and improvements to the property which improvements to the real estate would revert to the city upon termination of the lease.

The St. Louis Employees' Credit Union, the credit union operating at the time of your audit, was operated and maintained by and for the employees of the city of St. Louis. No rent was charged to the credit union as it was provided as a benefit to the city employees. When that credit union closed, an outside credit union took over the operations. As the current credit union is not operated by the employees of the city, it is being charged a fair rental rate.

Finally, the two newspapers are providing a service to all the citizens of the city, keeping the citizens informed of the operations of the city. As such, it was determined that they should not be charged rent for use of space in city hall.

- D. The city is, and always has been, open to any reasonable offers for the purchase of land owned by the city, which is not used for city purposes. Much of the land, not currently being used by the city, is of such little value that advertising, without any indication of interest, would not be cost-effective. As we have done in the past, we will reinstitute a program that would notify owners, neighboring the city-owned property, of the availability of buying that property.

#### AUDITOR'S COMMENT

The city or citizens may be receiving valuable benefits from the various organizations who are using city property, but the city still has the responsibility to determine the value of these benefits to document that Article VI, Section 25 of the Constitution of Missouri has not been violated. This determination is necessary whether the benefits are tangible or intangible.

#### 5. Real Estate Section Controls over Cash, Receivables, and Revenues

The Real Estate Section collected approximately \$259,000 in fiscal year 1987 for demolition and boarding up of buildings, weed cutting, rents of city property, and sale of real estate. Our review of the internal controls relating to these revenues revealed significant weaknesses. Because of these weaknesses the Real Estate Section has little assurance that all revenues have been collected or that all receipts have been properly deposited and recorded in the accounting records.

- A. The Real Estate Section does not maintain a general cash receipts ledger. Each tenant's payments are recorded in a subsidiary ledger, but the Real Estate Section does not maintain any overall record or control total. Therefore, the Real Estate Section has no way of reconciling the individual cash receipts to deposits. Without this type of reconciliation there is less assurance that all receipts are properly recorded and deposited. In addition, since the subsidiary ledger is not reconciled to anything, it is likely that any errors in these records would not be detected.
  
- B. The Real Estate Section is responsible for processing the special tax bills resulting from the boarding up or demolition of buildings. We noted that the Real Estate Section had not taken all possible action to collect the approximately \$193,000 in 1987 delinquent special tax bills. The only action the Real Estate Section had taken was to mail the initial tax bill. Ordinance No. 58032, the City Building Code, provides that the special tax bills are to be given to the city counselor for collection. At the time of our review this had not been done. Since Section 88.927, RSMo 1986, states that the lien against property from special tax bills lapses after two years, the Real Estate Section must act quickly to ensure that all possible means of collection, including liens, can be taken. Therefore, if special tax bills are not pursued on a timely basis, the city loses revenue and possibly misses the opportunity to pursue all possible means of collection.

**WE RECOMMEND the Real Estate Section:**

- A. Establish and maintain a cash receipts journal and, subsequently, reconcile this cash receipts journal to the monthly revenues report and the Comptroller's office mail receipt log.
  
- B. Develop and implement procedures to follow up and increase collection efforts for unpaid special tax bills. Referrals to the City Counselor should also be made for any remaining unpaid bills.

**AUDITEE'S RESPONSE**

- A. A cash receipts journal is maintained on rental payments and is currently being reconciled monthly to the general ledger.
  
- B. Per ordinances passed in March 1986 and October 1987, all weed bills, demolition, and board-up bills are being handled by the Forestry Department. All other special tax bills are handled by the Real Estate Section and, as they become delinquent, are being turned over to the City Counselor's office for collection in a timely manner.

**6. Gasboy System Reports**

The Comptroller's office utilizes a special electronic data processing (EDP) reporting system, known as gasboy, to provide the information necessary to monitor vehicle fuel usage. This system monitors the fuel placed into vehicles at various self-service pumps in the city. The system provides detail reports to the user departments. These reports, however,

frequently contain errors. Although these errors are primarily the responsibility of the user departments, the addition of some minor editing changes would significantly enhance the effectiveness of the system.

The gasboy system controls the dispensing of fuel with access cards. An access card is issued to each authorized city user. When fuel is needed, the user inserts his card, enters an identification number, and the vehicle odometer reading. The system then logs the amount of fuel placed in the vehicle, determines the number of miles driven since the last fill-up, and computes the miles per gallon (MPG). Monthly this information is given to each user department. The review and follow-up of errors or unusual situations is then the responsibility of the user department. In this way, each department can determine if MPG figures indicate vehicles in need of service and/or if fuel is being misappropriated or wasted. While it is appropriate that the user department review all exceptions, there is nothing in the current reporting system to ensure that they do resolve unusual items. The reporting system needs to be modified to provide an incentive for entering the correct information, and to ensure that unusual items are brought to the attention of management of the user departments and the Comptroller's office.

There is no edit in place to check the vehicle odometer readings for reasonableness. Individuals frequently enter the incorrect odometer reading, and some of the readings are obviously fabricated. For example, some reports contained odometer readings of 123456 for more than one vehicle. Inaccurate odometer readings result in incorrect MPG figures and completely negate the effectiveness of the gasboy system. In addition, we could find no documentation that these types of errors had been reviewed by the user departments. Without such a review, it is doubtful that the errors will be corrected. Also if the inaccurate reporting is caused by the misappropriation of fuel, then it will not be detected.

Although the ultimate responsibility for resolving these errors lies with the user departments, the Comptroller's office should make every effort to ensure that responsibility is fulfilled. By indicating unreasonable MPG or odometer readings, and requiring a formal resolution from the user department, the Comptroller could increase the effectiveness of the gasboy system and enhance controls over fuel usage. If the Comptroller's office is not going to require this type of formal resolution, it cannot hope to provide effective reporting with the gasboy system and may as well simply rely on the user department to monitor and control fuel usage.

**WE RECOMMEND** the Comptroller's office work with the gasboy user departments to develop an acceptable means of reporting errors and formally resolving all exceptions.

#### **AUDITEE'S RESPONSE**

While we agree with your comment that the ultimate responsibility lies with the user department, we have taken steps to tighten the controls over the use of the gasboy system. Several months ago, we hired temporary employees, for a two-week period, to monitor the gasoline pumps in order to ensure that the proper odometer reading was entered. With an accurate odometer reading as the starting point, we have subsequently been closely monitoring the gasoline usage

for each car and will be sending letters to the various departments which appear to be abusing the system. Should the user departments fail to correct the situation, consideration will be given to deleting those cards from the gasboy system, thus, preventing them from obtaining gasoline.

## 7. General Fixed Assets Procedures

The Comptroller uses a fixed asset management system (FAMS) to monitor and control all general fixed assets of the city. This system consists of an automated fixed asset reporting system, policies and procedures manual, a FAMS Section within the Comptroller's office, and a designated FAMS coordinator at each division within the city. Our review of the FAMS system and procedures disclosed the following areas where improvements could be made:

- A. FAMS procedure 905.26 does not require the annual inventory to be taken by someone independent of general fixed assets record keeping. As a result, most of the inventories are taken by the FAMS coordinator, who is responsible for all recording of general fixed assets. Having the inventory taken by someone independent of the recording and custody of general fixed assets increases the likelihood that errors in the records will be detected.
- B. Inventory tags were not used in conducting the fiscal year 1987 inventory counts. Instead, the FAMS listings were used and the assets were checked as they were counted. This increases the chance that unrecorded assets will go undetected. In addition, FAMS procedures 905.26 is written based on the premise that inventory tags will be used.
- C. General fixed assets items are not being properly tagged as city property. FAMS procedures 210.14 requires the FAMS Section to issue a property tag for all general fixed assets additions. The FAMS Section has not complied with this procedure, and property items are not being tagged. Property tags increase control over general fixed assets by providing positive identification of all city assets.
- D. FAMS policy does not require proper authorization for property deletions. The required coding form does not require review or approval from management to authorize the disposal of general fixed assets. In order to properly safeguard assets from improper deletion from FAMS, the Comptroller needs to ensure that all dispositions are properly authorized. The lack of such authorization increases the possibility that improper deletions or misappropriations of general fixed assets would not be detected.
- E. FAMS has defined property control items as: 1) being tangible in nature; 2) having a useful life greater than one year; and 3) having a cost between \$200 and \$1,000. These are items which the city wishes to control for stewardship purposes only, but does not want to include in the general fixed assets listing. As such, each division's FAMS coordinator is responsible for ensuring that property control items are properly recorded. We noted the

following weaknesses in the FAMS accounting for property control items:

- 1) The divisions are not sure which items to place on the list as property control items. There is no consistency between different departments and most have the impression that accounting for these items is discretionary. The FAMS Section of the Comptroller does not consider such accounting as discretionary, but has not effectively communicated this to the various FAMS coordinators. As a result, the accountability over these items is greatly reduced.
- 2) Each division's listing does not properly identify property control items. Many items, such as calculators and personal computers, are not separately identified, but are grouped by asset type. Without separately identifying these items by serial number and description, it is difficult to determine the physical location of each of the items or whether they are all recorded. Again, the FAMS Section considers this problem to be the result of a misunderstanding between their section and the FAMS coordinators.

WE RECOMMEND the Comptroller's FAMS Section:

- A. Revise FAMS procedure 905.26 to require annual inventories to be conducted by someone other than a division FAMS coordinator.
- B. Provide inventory tags for conducting the annual inventory.
- C. Issue property tags for all general fixed assets.
- D. Require proper authorization for all general fixed assets dispositions.
- E. Clarify the requirements for recording of property control items.

AUDITEE'S RESPONSE

- A&B. Subsequent to your audit, the Internal Audit Section of the Comptroller's office took over the task of conducting physical fixed asset observations at the departmental level. While the FAMS manual discusses an annual physical inventory, it was determined that performing these observations on an ongoing basis provided better controls. As a result of these new procedures, inventory tags will only be used when deemed necessary to obtain an accurate count. As the current process is on a departmental level, inventory tags are not always necessary. The city's FAMS manual will be updated to account for these new procedures.
- C. Permanent fixed asset property tags indicating that the item is owned by the city were ordered and the departments have already been notified of their use.
  - D. The system for the dispositions of fixed assets has been revised, using a "Disposition of Surplus Property" form to authorize the movement of fixed assets. This form must be approved by either the Comptroller or Deputy Comptroller before an asset is deleted from the FAMS report.

- E. We will revise our instructions to the departments for property control items. The Comptroller has placed his emphasis on the fixed asset system due to its importance to our Comprehensive Annual Financial Report. We have intentionally permitted the departments to select those items they wished to control, which do not meet the criteria for a fixed asset, and to record them on the property control report. Some departments have found it more efficient to keep records for these small cost items manually or on a personal computer. The entire property control subject will be reevaluated.

8. Municipal Garage Controls over Cash Receipts and Revenues

The accounts receivable subsidiary ledger used at the garage to record customer payment activity does not provide adequate detailed information. A check mark in the appropriate month's column on the ledger form is used to indicate if that month's rent was paid. The ledger does not indicate the date the actual payment was received. As a result, the subsidiary ledger and its individual entries cannot be reconciled or traced to cash receipts and payroll deductions. This reconciliation is necessary to prevent or detect irregularities, such as improperly marking a customer as paid or marking the wrong customer paid.

To reconcile cash receipts and payroll deductions to the subsidiary ledger, the ledger must contain customer name; date of payment; method of payment (cash or payroll deduction); amount of payment, and supporting receipt number or payroll report date. With this information the accounts receivable subsidiary ledger can easily be reconciled in total to cash receipt records and payroll reports on a monthly basis. Also, individual payments can be traced from the cash receipt records to the subsidiary ledger and vice versa.

WE RECOMMEND the municipal garage maintain a detailed accounts receivable subsidiary ledger, and reconcile this ledger each month to the cash receipts journal discussed above.

AUDITEE'S RESPONSE

Subsequent to your audit, the Comptroller's office reevaluated the revenue system at the Municipal Garage and established a computer-based system to account for the parking activity. The new system reconciles the cash received and the amount withheld from payroll checks to the total number of parking spaces available for rent. It also indicates those instances where someone may prepay their monthly fee, spaces which may currently be available for rent, and those spaces used by city-owned vehicles. A report of this information is produced each month, a copy of which was provided to your staff.

9. Reduced Parking Rates Received by Municipal Garage Employees

Municipal garage employees pay a reduced rate for parking at the municipal garage. Eleven garage employees pay \$2.50 a pay period instead of the normal \$16 rate, and one garage employee pays \$5 a pay period. By allowing these reduced rates for garage employees the city loses \$4,147 in parking rent revenues each year.

Generally all city employees are put on a waiting list until a parking space comes available. However, garage employees receive a parking space immediately upon employment.

WE RECOMMEND the municipal garage charge their employees the same parking rate assessed other city employees.

#### AUDITEE'S RESPONSE

With the new system in place, as noted in Management Advisory Report No. 8, garage employees no longer are receiving discounted rates and pay the same fee as other city employees.

#### 10. Municipal Garage Inventory Control Procedures

The municipal garage performs repair and maintenance work on approximately 250 city vehicles and maintains inventories of the parts and supplies necessary to perform this function. We conducted an inventory count in June 1987 with the assistance of garage personnel. Based upon cost data supplied by garage employees, the inventory on hand at this time was estimated to have a value of approximately \$22,000.

No inventory records are maintained by the garage. No formal inventory counts are made. The repair shop supervisor decides when to reorder parts or supplies, and all employees have free access to inventory items. In summary, no formal controls or procedures exist to ensure proper use and management of the approximately \$70,000 of inventory items purchased annually by the garage. Without proper controls and procedures theft or loss of items may go undetected and higher costs may be incurred as a result of inefficient ordering practices.

WE RECOMMEND the municipal garage develop and maintain inventory records, take periodic inventories, determine reorder points, and limit access to the parts and supplies inventory.

#### AUDITEE'S RESPONSE

After physically reviewing the inventory on hand, a substantial portion of which were used parts, and the current systems in place, we have determined that we could not justify the costs necessary to establish the type of inventory control system recommended.

#### 11. Microfilm Section Controls over Cash, Receivables, and Revenues

In the fiscal year ended April 30, 1987, the Microfilm Section processed \$72,536 in revenues from copying services. Our review of the internal controls relating to these revenues revealed the weaknesses discussed below. Because of these weaknesses, the Microfilm Section has little assurance that all revenues have been billed or that all receipts have been properly collected, deposited, and recorded.

A. We noted the following weaknesses over cash receipts:

- 1) The Microfilm Section's cash receipts ledger does not include all receipts. As a result, it is not possible to reconcile deposits to other accounting records. No cross reference to cash receipt slips or receipt coding forms is made, and mail receipts are not included in the ledger. Unless the cash receipts ledger is maintained such that all cash receipts are recorded, it cannot provide the information necessary to reconcile receipts to deposits. This reconciliation increases assurance that all receipts are being remitted to the Treasurer for deposit.
- 2) The Microfilm Section does not reconcile receipt coding forms remitted to the Treasurer's office to the Comptroller's monthly revenues report. This reconciliation helps to ensure that remittances were properly transmitted to the Treasurer's office and properly recorded by the Comptroller's office. Without this reconciliation the Microfilm Section has little assurance that their remittances were processed properly by these two offices.
- 3) Prenumbered receipts are not issued for copying fees. Instead, receipts are manually numbered by one of the clerks. As a result, there is no verifiable means of determining that cash remitted to the Treasurer's office represents total copying fees charged. The use of prenumbered receipts would help ensure that all fees charged for services rendered are being remitted in full.
- 4) The Microfilm Section does not issue a receipt for all cash and check payments. Receipts are prepared only for cash ticket sales, but not for payments received in person from departments for services previously rendered. Thus, there is no means to assure that all receipts are subsequently remitted to the Treasurer's office for deposit.
- 5) Checks are not restrictively endorsed upon receipt. Checks received are not restrictively endorsed until the remittance to the Treasurer's office is prepared. To safeguard against the potential loss or misuse of funds, checks should be restrictively endorsed immediately upon receipt.
- 6) The Microfilm Section does not remit deposits to the Treasurer's office daily as required by the city code. During our review we noted time lags of two to ten days between the actual receipt and the deposit. In addition to being required by Article XV, Section 24, daily deposits decrease the risk of loss or misappropriation of funds.

B. The Microfilm Section's customer accounts receivable and revenue records and procedures do not ensure that all receipts and revenues are handled and recorded properly. We noted the following weaknesses:

- 1) The requisition control log maintained is intermingled with the cash log and it does not contain the sales amount; furthermore, it is not periodically totaled in any manner. In this form the requisition control log provides little control over revenues. Unless it is reconciled to the charge account control sheet from which the invoices are prepared, there is no assurance that all requisitions are being billed properly, or that invoices consist of only bona fide requisitions.
- 2) The Microfilm Section cannot determine whether a particular invoice has been paid. Payment information is not recorded on either the invoice, charge account control sheet, or requisition log. Current procedures require invoices and supporting requisitions to be filed separately when paid. This system is not reliable since we noted paid invoices in the "unpaid" file. No procedures are in effect to follow up on these vouchered invoices to determine if they were processed correctly.
- 3) The Microfilm Section cannot readily determine total amount currently owed by a specific customer. A customer accounts receivable subsidiary ledger is not maintained which shows all charges and payments for a particular customer. This has resulted in continued service being provided to customers delinquent in their payments. Unless the Microfilm Section monitors the balance, the revenues for these services might never be collected.

**WE RECOMMEND** the Microfilm Section:

- A.1. Maintain a complete cash receipts ledger and reconcile accounting records to deposits.
2. Reconcile receipt coding forms remitted to the Treasurer's office with the Comptroller's office monthly revenue report.
3. Use prenumbered receipts.
4. Issue a receipt for all cash and check payments.
5. Restrictively endorse all checks upon initial receipt.
6. Deposit all receipts daily.
- B.1. Improve the requisition control log and reconcile it with the charge account control sheet and invoices.
2. Record detailed information on all charges and payments in a customer accounts receivable subsidiary ledger. Follow up on all unpaid invoices.
3. Monitor the customer accounts receivable subsidiary ledger for delinquent accounts. Increase collection efforts and consider discontinuing service if payment is not subsequently received.

## AUDITEE'S RESPONSE

Two important events took place subsequent to your audit. The first and most important event was the decision to transfer the accounting for the Microfilm Section to the General Fund. During your audit, the Microfilm Section was accounted for as a Special Revenue Fund. By accounting for the Microfilm Section under the General Fund, there was no longer a need to charge the various departments in the General Fund receiving services. Previously, the majority of the services billed were, as noted in Appendix A-1 of this report, services for the General Fund. Currently, receivables are very minimal as most services performed for customers are paying as the services are performed. Any receivables are being closely monitored and will be turned over to the City Counselor if collection becomes a problem.

The second event was an audit by the Internal Audit Section of the Comptroller's office. Based upon this audit, the entire revenue collection system was revised. The new system has already addressed the issues raised in your report. Currently, the Microfilm Section is in the process of another Internal Audit which is being performed to ensure these new controls are being properly enforced and are providing proper accounting controls.

### 12. Microfilm Controls over Expenditures

The Microfilm Section processes all payments for goods and services through the Comptroller's office and made expenditures of \$311,281 in the year ended April 30, 1987. The Microfilm Section receives reports of monthly and year-to-date charges against appropriations. The section also maintains a manual ledger of invoices submitted to the Comptroller's office. Due to several errors and discrepancies, this ledger did not reconcile to the Comptroller's office reports. The primary reasons for maintaining the manual ledger are to ensure that invoices are properly paid and recorded and that only Microfilm Section expenditures are paid from its appropriation. To provide these assurances it is essential that the Microfilm Section reconcile all charges and balances with the Comptroller's office monthly.

WE RECOMMEND the Microfilm Section reconcile charges and balances from the manual expenditures ledger to the Comptroller's office reports monthly.

## AUDITEE'S RESPONSE

Subsequent to your audit, and based upon the audit performed by the Internal Audit Section, the Microfilm Section has been reconciling its manual ledgers to the Comptroller's reports on a monthly basis.

**APPENDICES**

Appendix A-1

OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS, MISSOURI  
SCHEDULE OF REVENUES BY FUND TYPE  
YEAR ENDED APRIL 30, 1987

( U N A U D I T E D )

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	General Fund	Special Revenue Fund	Debt Service Funds	Internal Service Fund	Trust and Agency Funds	Total Memorandum Only
<b>COMPTROLLER'S OFFICE - DIVISION 160</b>						
Real estate taxes	-0-	-0-	2,530,315	-0-	-0-	2,530,315
Commercial property real estate surcharges	-0-	-0-	488,014	-0-	-0-	488,014
Personal property taxes	-0-	-0-	939,345	-0-	-0-	939,345
Merchants licenses	-0-	-0-	766,385	-0-	-0-	766,385
Manufacturers licenses	-0-	-0-	663,778	-0-	-0-	663,778
City sales tax	32,155,370	-0-	-0-	-0-	-0-	32,155,370
3/8 sales tax	11,025,443	-0-	-0-	-0-	-0-	11,025,443
Transportation sales tax	-0-	-0-	-0-	-0-	16,045,071	16,045,071
Franchise taxes	46,227,491	-0-	-0-	-0-	-0-	46,227,491
Restaurant gross receipts tax	-0-	-0-	-0-	-0-	2,120,762	2,120,762
Interest earned on taxes	-0-	-0-	38,941	-0-	42,032	80,973
Federal revenue sharing	-0-	-0-	-0-	-0-	-0-	-0-
Financial institution tax	-0-	3,844,377	-0-	-0-	-0-	3,844,377
Services provided for other departments	382,974	-0-	-0-	-0-	-0-	382,974
Demolition of unsafe buildings	2,783,766	-0-	-0-	-0-	-0-	2,783,766
Weed cutting	18,755	-0-	-0-	-0-	-0-	18,755
Interest earned on investments	18,201	-0-	-0-	-0-	-0-	18,201
Rents earned on Columbia Bottoms	-0-	-0-	1,041,940	-0-	1,774,533	2,816,473
Rents of other city property	-0-	205,463	-0-	-0-	-0-	205,463
Rents from other sources	141,852	-0-	-0-	-0-	-0-	141,852
Sales of real estate	51,968	-0-	-0-	-0-	-0-	51,968
Sale of salvage	79,989	-0-	-0-	-0-	-0-	79,989
Premium on note sale	781,985	-0-	-0-	-0-	79,069	781,985
Accrued interest on bond sale	-0-	-0-	143,376	-0-	-0-	143,376
Commissions	22,076	-0-	45,600	-0-	-0-	67,676
Miscellaneous	330,744	-0-	28,190	-0-	16,661,363	17,020,297
<b>Total Comptroller's Office</b>	<b>94,020,614</b>	<b>4,049,840</b>	<b>6,685,884</b>	<b>-0-</b>	<b>36,722,830</b>	<b>141,479,168</b>
<b>DATA PROCESSING - DIVISION 161</b>						
Data processing services	8,750	-0-	-0-	-0-	-0-	8,750
Miscellaneous	16,555	-0-	-0-	-0-	-0-	16,555
<b>Total Data Processing</b>	<b>25,305</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>25,305</b>
<b>MUNICIPAL GARAGE - DIVISION 162</b>						
Repair work	15,411	-0-	-0-	-0-	-0-	15,411
Parking rentals	109,412	-0-	-0-	-0-	-0-	109,412
<b>Total Municipal Garage</b>	<b>\$ 124,823</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>124,823</b>

Appendix A-1 (Continued)  
 OFFICE OF THE COMPTROLLER  
 CITY OF ST. LOUIS, MISSOURI  
 SCHEDULE OF REVENUES BY FUND TYPE  
 YEAR ENDED APRIL 30, 1987

(UNAUDITED)

	General Fund	Special Revenue Fund	Debt Service Funds	Internal Service Fund	Trust and Agency Funds	Total (Memorandum Only)
\$	-0-	-0-	-0-	55,957	-0-	55,957
	-0-	-0-	-0-	8,881	-0-	8,881
	4,010	-0-	-0-	3,688	-0-	7,698
	4,010	-0-	-0-	68,526	-0-	72,536
\$	94,174,752	4,049,840	6,685,884	68,526	36,722,830	141,701,832

MICROFILM - DIVISION 163  
 Services for General Fund  
 Services for miscellaneous funds  
 Copying

Total Microfilm

Total All Divisions

Appendix A-2

OFFICE OF THE COMPTROLLER  
 CITY OF ST. LOUIS, MISSOURI  
 SCHEDULE OF ESTIMATED AND COLLECTED REVENUES  
 GENERAL FUND  
 YEAR ENDED APRIL 30, 1987

(UNAUDITED)

Revenue Type	Estimated Revenues	Collected Revenues	Collected Revenues over (under) Estimated Revenues
City sales tax	\$ 33,300,000	32,155,370	(1,144,630)
3/8 sales tax	12,325,000	11,025,443	(1,299,557)
Franchise taxes	47,770,000	46,227,491	(1,542,509)
Financial institution tax	300,000	382,974	82,974
Services provided for other departments	2,827,000	2,783,766	(43,234)
Demolition of unsafe buildings	28,000	18,755	(9,245)
Weed cutting	-0-	18,201	18,201
Rents of other city property	160,000	141,852	(18,148)
Rents from other sources	68,000	51,968	(16,032)
Sales of real estate	70,000	79,989	9,989
Sale of salvage	700,000	781,985	81,985
Commissions	2,400	22,076	19,676
Data processing services	3,000	8,750	5,750
Repair work	30,000	15,411	(14,589)
Parking rentals	108,000	109,412	1,412
Copying	5,000	4,010	(990)
Miscellaneous	550,600	347,299	(203,301)
<b>Total</b>	<b>\$ 98,247,000</b>	<b>94,174,752</b>	<b>(4,072,248)</b>

OFFICE OF THE COMPTROLLER  
 CITY OF ST. LOUIS, MISSOURI  
 SCHEDULE OF EXPENDITURES BY FUND TYPE  
 YEAR ENDED APRIL 30, 1987

( U N A U D I T E D )

	General Fund	Special Revenue Fund	Federal Funds	Debt Service Funds	Internal Service Fund	Trust and Agency Funds	Total (Memorandum Only)
<b>PERSONAL SERVICE</b>							
Salaries	2,841,074	-0-	236,657	-0-	48,925	-0-	3,126,656
Fringe benefits	533,212	-0-	44,630	-0-	6,772	-0-	584,614
Workers' compensation	163	-0-	-0-	-0-	-0-	-0-	163
<b>Total Personal Service</b>	<b>3,374,449</b>	<b>-0-</b>	<b>281,287</b>	<b>-0-</b>	<b>55,697</b>	<b>-0-</b>	<b>3,711,433</b>
<b>EXPENSE AND EQUIPMENT</b>							
Office and operating supplies	205,132	-0-	1,435	-0-	7,988	-0-	214,555
Construction and maintenance supplies	47,681	-0-	-0-	-0-	-0-	-0-	47,681
Equipment purchases and repair	40,211	-0-	1,462	-0-	-0-	-0-	41,673
Operating expenses	2,042,736	14,977	19,318	-0-	41,603	2,843	2,121,578
Contractual services	63,029	-0-	113,190	23,017	-0-	263,809	463,045
Miscellaneous and special purpose expenses	1,467,365	-0-	15,908	365,208	-0-	32,254,867	34,103,346
Long-term debt related expenditures	-0-	-0-	-0-	5,110,175	-0-	41,574,222	46,684,397
<b>Total Expense and Equipment</b>	<b>3,886,154</b>	<b>14,977</b>	<b>151,314</b>	<b>5,498,398</b>	<b>49,591</b>	<b>74,085,841</b>	<b>83,676,275</b>
<b>Total Expenditures</b>	<b>\$ 7,240,603</b>	<b>14,977</b>	<b>432,601</b>	<b>5,498,398</b>	<b>105,288</b>	<b>74,085,841</b>	<b>87,387,708</b>

Appendix B-2

OFFICE OF THE COMPTROLLER  
 CITY OF ST. LOUIS, MISSOURI  
 SCHEDULE OF APPROPRIATIONS AND LAPSED BALANCES - GENERAL FUND  
 YEAR ENDED APRIL 30, 1987

( U N A U D I T E D )

	Appropriations	Expenditures	Lapsed Balances
PERSONAL SERVICE			
Salaries	\$ 2,909,174	2,841,074	68,100
Fringe benefits	544,512	533,212	11,300
Workers' compensation	600	163	437
Total Personal Service	<u>3,454,286</u>	<u>3,374,449</u>	<u>79,837</u>
EXPENSE AND EQUIPMENT			
Office and operating supplies	290,910	205,132	85,778
Construction and maintenance supplies	49,000	47,681	1,319
Equipment purchases and repair	51,450	40,211	11,239
Operating expenses	2,288,014	2,042,736	245,278
Contractual services	64,815	63,029	1,786
Miscellaneous and special purpose expenses	1,570,721	1,467,365	103,356
Total Expense and Equipment	<u>4,314,910</u>	<u>3,866,154</u>	<u>448,756</u>
Total	<u>\$ 7,769,196</u>	<u>7,240,603</u>	<u>528,593</u>

## Appendix C-1

OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS, MISSOURI  
COMPTROLLER'S OFFICE  
COMPARATIVE SCHEDULE OF GENERAL FUND EXPENDITURES  
FIVE YEARS ENDED APRIL 30, 1987

(UNAUDITED)

	Year Ended April 30,				
	1987	1986	1985	1984	1983
<b>PERSONAL SERVICE</b>					
Salaries:					
Regular employees	\$ 1,368,045	1,346,223	1,252,608	1,163,375	1,027,780
Temporary employees	-0-	6,106	6,536	8,868	5,798
Per performance	8,402	-0-	-0-	-0-	-0-
Employer:					
Social security coverage	95,278	93,230	86,449	77,925	67,019
Medical insurance	68,831	55,981	50,620	41,509	-0-
Retirement contribution	78,405	78,378	107,347	-0-	-0-
Life insurance costs	9,791	8,271	6,733	8,765	-0-
Workers' compensation	163	-0-	-0-	-0-	-0-
Overtime	3,721	6,676	6,841	6,905	-0-
<b>Total Personal Service</b>	<b>1,632,636</b>	<b>1,594,865</b>	<b>1,517,134</b>	<b>1,307,347</b>	<b>1,100,597</b>
<b>EXPENSE AND EQUIPMENT</b>					
Office supplies	5,848	5,563	6,208	5,777	6,458
Printed supplies	-0-	13,530	145	2,516	2,427
Miscellaneous supplies	590	571	411	296	257
Office equipment	-0-	-0-	-0-	16,472	762
Postage	10,235	10,442	15,309	13,458	10,320
Telephone and other communications	1,139,442	1,121,031	1,232,600	1,125,375	1,120,319
Office services	4,135	5,760	6,261	1,836	616
Allowance for personally owned cars	824	974	892	564	-0-
Repairs to office and other operating equipment	1,696	2,520	1,901	2,291	2,895
Equipment rental	13,510	11,258	11,587	13,958	7,857
Maintenance of dwelling and city real estate	1,433	-0-	179	2,660	2,702
Travel expense - conventions and seminars	93,258	96,182	88,561	99,959	93,975
Printing services	16,692	16,261	25,280	6,124	-0-
Annual audit	-0-	-0-	-0-	-0-	9,730
Miscellaneous:					
Contractual services	57,588	30	32,933	156	77,278
Audits	10,575	32,619	5,476	-0-	-0-
Prior year encumbrances	53,234	-0-	-0-	-0-	-0-
Unanticipated needs	-0-	-0-	75,000	-0-	-0-
Rents	62,535	19,040	12,876	12,482	9,998
Surety bond and insurance premiums	819,559	500,646	310,728	296,145	233,023
Miscellaneous:					
Expenses	17,329	16,783	28,880	23,537	12,130
Judgments	1,088	7,146	7,784	8,897	6,450
Business license refunds	130	1,881	787	-0-	625
Licenses and titles to city cars	1,127	1,610	1,676	651	629
Miscellaneous refunds	1,556	94,725	1,614	6,042	6,169
Missouri municipal league	34,366	34,341	34,316	34,316	34,316
National league of cities	6,980	15,905	6,650	6,325	17,823
Metropolitan sewer district	401,201	306,216	239,936	211,808	183,332
Special purposes number:					
Two	-0-	-0-	688	15,839	2,000
Three	-0-	-0-	211,250	-0-	-0-
Four	-0-	-0-	-0-	-0-	104,382
Cost allocation	26,000	26,000	26,000	-0-	-0-
Contingency	15,000	12,000	10,000	10,000	10,000
Subsidies	-0-	-0-	-0-	-0-	388,300
Security - Koch Hospital	-0-	-0-	-0-	6,000	60,000
<b>Total Expense and Equipment</b>	<b>2,795,929</b>	<b>2,353,034</b>	<b>2,395,928</b>	<b>1,923,484</b>	<b>2,402,773</b>
<b>Total Expenditures</b>	<b>\$ 4,428,565</b>	<b>3,947,899</b>	<b>3,913,062</b>	<b>3,230,831</b>	<b>3,503,370</b>

## Appendix C-2

OFFICE OF THE COMPTROLLER  
 CITY OF ST. LOUIS, MISSOURI  
 DATA PROCESSING DIVISION  
 COMPARATIVE SCHEDULE OF GENERAL FUND EXPENDITURES  
 FIVE YEARS ENDED APRIL 30, 1987

(UNAUDITED)

	Year Ended April 30,				
	1987	1986	1985	1984	1983
<b>PERSONAL SERVICE</b>					
Salaries - regular employee	\$ 1,082,609	1,014,460	990,372	985,050	908,875
Employer:					
Social security coverage	76,621	70,861	68,903	66,911	60,372
Medical insurance	55,116	44,270	42,300	37,341	-0-
Retirement contribution	62,131	55,198	77,634	-0-	-0-
Life insurance costs	7,927	6,386	5,461	7,133	-0-
Workers' compensation	-0-	4,028	-0-	-0-	-0-
Overtime	10,643	11,289	14,894	13,655	-0-
<b>Total Personal Service</b>	<b>1,295,047</b>	<b>1,206,492</b>	<b>1,199,564</b>	<b>1,110,090</b>	<b>969,247</b>
<b>EXPENSE AND EQUIPMENT</b>					
Office supplies	2,370	1,636	3,672	4,635	9,700
Printed supplies	-0-	59,078	-75,492	78,367	84,849
Laundry and cleaning supplies	191	50	338	135	145
Educational and recreational supplies	1,446	3,720	1,010	5,847	49
Computer supplies	73,462	-0-	-0-	-0-	-0-
Office equipment	13,812	51,832	-0-	1,525	12,555
Office services	6,327	2,941	4,980	3,973	3,716
Repairs to office and other operating equipment	223,081	209,411	126,358	50,961	46,863
Equipment rental	391,738	521,711	660,493	767,005	642,467
Travel expense - conventions and seminars	10,232	9,747	10,064	9,517	9,023
Data processing services and products	91,967	72,901	75,356	50,371	45,961
Printing services	1,632	793	1,415	235	-0-
Cable routing and miscellaneous installation expenses	13,130	8,177	10,277	15,424	25,239
<b>Total Expense and Equipment</b>	<b>829,388</b>	<b>941,997</b>	<b>969,455</b>	<b>987,995</b>	<b>880,567</b>
<b>Total Expenditures</b>	<b>\$ 2,124,435 *</b>	<b>2,148,489</b>	<b>2,169,019</b>	<b>2,098,085</b>	<b>1,849,814</b>

\* Total expenditures do not include encumbrances of \$10,051 and commitments of \$1,365 at April 30, 1987.

Appendix C-3

OFFICE OF THE COMPTROLLER  
 CITY OF ST. LOUIS, MISSOURI  
 MUNICIPAL GARAGE  
 COMPARATIVE SCHEDULE OF GENERAL FUND EXPENDITURES  
 FIVE YEARS ENDED APRIL 30, 1987

(UNAUDITED)

	Year Ended April 30,				
	1987	1986	1985	1984	1983
<b>PERSONAL SERVICE</b>					
Salaries - regular employees	\$ 212,116	202,956	197,252	204,924	227,495
Employer:					
Social security coverage	15,166	14,371	13,838	13,920	15,243
Medical insurance	14,761	11,856	11,268	9,887	-0-
Retirement contribution	12,609	12,381	18,139	-0-	-0-
Life insurance costs	1,578	1,304	1,103	1,530	-0-
Workers' compensation	-0-	2,792	-0-	-0-	-0-
<b>Total Personal Service</b>	<b>256,230</b>	<b>245,660</b>	<b>241,600</b>	<b>230,261</b>	<b>242,738</b>
<b>EXPENSE AND EQUIPMENT</b>					
Office supplies	189	334	182	270	307
Printed supplies	-0-	-0-	-0-	-0-	634
Motor vehicle supplies	22,439	19,211	23,773	20,480	16,925
Laundry and cleaning supplies	455	757	511	515	769
Small tools and implements	192	211	386	430	123
Gasoline supplies	83,186	132,533	144,603	186,092	212,814
Miscellaneous supplies	559	354	558	399	454
Motor vehicle materials and repair parts	45,461	47,153	49,684	49,797	47,958
Garage and shop equipment	21,700	-0-	-0-	-0-	-0-
Miscellaneous equipment	-0-	-0-	224	202	263
Postage	50	50	66	35	110
Office services	2,629	2,215	2,046	1,923	2,491
Repairs to:					
Motor vehicles	22,117	16,558	15,649	17,727	23,517
Office and other operating equipment	793	2,391	1,112	3,537	5,716
Printing services	149	1,157	607	391	-0-
Miscellaneous contractual services	5,341	4,982	4,808	3,603	3,213
Prior year encumbrances	3,555	-0-	-0-	-0-	-0-
Special purposes number one	-0-	-0-	-0-	-0-	43,878
<b>Total Expense and Equipment</b>	<b>208,815</b>	<b>227,906</b>	<b>244,209</b>	<b>285,401</b>	<b>359,172</b>
<b>Total Expenditures</b>	<b>\$ 465,045 *</b>	<b>473,566</b>	<b>485,809</b>	<b>515,662</b>	<b>601,910</b>

\* Total expenditures do not include encumbrances of \$2,176 and commitments of \$818 at April 30, 1987.

Appendix C-4

OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS, MISSOURI  
MICROFILM  
COMPARATIVE SCHEDULE OF GENERAL FUND EXPENDITURES  
FIVE YEARS ENDED APRIL 30, 1987

( U N A U D I T E D )

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Year Ended April 30,

	1987		1986		1985		1984 General Fund	1983 General Fund
	General Fund	Printing Service Fund Total	General Fund	Printing Service Fund Total	General Fund	Printing Service Fund Total		
<b>PERSONAL SERVICE</b>								
Salaries - regular employees	\$ 155,538	45,660	158,752	43,069	161,580	41,452	199,735	199,121
Employer:								
Social security coverage	11,121	3,265	11,239	3,049	11,336	2,908	13,563	13,342
Medical insurance	13,389	3,690	11,248	2,964	11,232	2,808	11,408	-0-
Retirement contribution	9,312	2,740	9,707	2,636	14,884	3,822	-0-	-0-
Life insurance costs	1,176	342	1,017	293	919	234	1,500	-0-
<b>Total Personal Service</b>	<b>190,536</b>	<b>55,697</b>	<b>191,963</b>	<b>52,011</b>	<b>199,951</b>	<b>51,224</b>	<b>226,206</b>	<b>212,463</b>
<b>EXPENSE AND EQUIPMENT</b>								
Office supplies	5,882	7,580	17,999	11,104	18,610	5,580	19,677	19,833
Printing, binding, and reproduction equipment	-0-	-0-	-0-	-0-	-0-	-0-	-0-	25,072
Postage	88	-0-	88	-0-	100	-0-	150	150
Office services	8,140	-0-	10,357	-0-	8,584	-0-	8,409	10,299
Repairs to office and other operating equipment	1,755	-0-	2,452	-0-	2,364	-0-	1,120	3,310
Equipment rental	-0-	41,603	-0-	36,773	-0-	25,234	39,991	50,487
Printing services	-0-	-0-	203	-0-	415	-0-	441	-0-
<b>Total Expense and Equipment</b>	<b>15,865</b>	<b>49,183</b>	<b>31,099</b>	<b>47,877</b>	<b>30,073</b>	<b>30,814</b>	<b>69,788</b>	<b>109,151</b>
<b>Total Expenditures</b>	<b>\$ 206,401</b>	<b>104,880</b>	<b>223,062</b>	<b>99,888</b>	<b>230,024</b>	<b>82,038</b>	<b>295,994</b>	<b>321,614</b>

\* Total expenditures do not include encumbrances of \$1,746 for the General Fund and \$408 for the Printing Service Fund at April 30, 1987.